



Los Angeles Banking Survey Reveals Need for Breakout Strategies

Los Angeles (September 21, 2010) – A recent survey by Transom Consulting Group underscores the customer acquisition challenges faced by Los Angeles-area community and regional banks, but offers hope for those willing to pursue differentiated and game-changing strategies.

Transom Consulting's *Los Angeles Banking Survey*, conducted in August 2010, polled more than 500 affluent and general population respondents on brand awareness and consideration; drivers of bank selection, satisfaction, and switching; demand for products and service offerings; and perceptions of local banks versus national banks. The sample allows for statistically significant insights across important sub-segments such as business owners, women, high net worth individuals, and ethnic minorities.

Key findings include:

- *Fragmentation of brand awareness:* Brand awareness was highly fragmented, as more than 120 financial institutions were named on an unaided basis by one or more survey respondent. Results indicated massive confusion over the differences between local and national financial institutions and between credit unions versus community and regional banks. Yet 11 regional and community banks enjoyed aided awareness of 20% or greater; in order of decreasing awareness, these included City National Bank, OneWest Bank, East West Bank, Cathay Bank, First National Bank, Hanmi Bank, Citizens Business Bank, Farmers & Merchants Bank, Far East National Bank, Manufacturers Bank, and First Citizens Bank. OneWest's performance in the awareness rankings reflected strong results from its robust rebranding campaign and marketing spend.
- *Perception challenges:* The challenge of attracting new customers is clear, given that 56% of affluent respondents and 62% of general population respondents stated they would not consider banking with any of the 35 community or regional banks that were specified in the survey. Only four banks enjoyed consideration rates of 5% or higher. Respondents cited ATM and branch availability, financial stability, online capabilities, fees, and breadth of products and services as primary reasons for their reluctance to choose a community or regional bank. These perceptions – many of which appear based on misinformation or misimpressions – suggest the opportunity for a collaborative campaign championing the merits of community and regional banks as an alternative to national players.
- *Segment opportunities:* The survey suggests the need for banks to target their acquisition efforts to a set of high potential, high value customer segments. Business owners displayed greater willingness to switch banks and to consider local banks, and indicated higher demand across all product and service offerings. Female respondents indicated a high level of engagement in banking decision-making; among non-single female respondents, 95% reported being sole, primary, or equal decision-makers in bank selections and 91% reported being mostly or equally responsible for their household's day-to-day banking activities. Data in the survey suggest strategies for homing in on these and other population groups.

According to David Ascher, Managing Partner of Transom Consulting Group, "This survey tells a nuanced story. Community and regional banks face a series of daunting challenges, but there is ample opportunity for those that pursue strategically aggressive approaches in marketing and branding and that differentiate meaningfully. These banks will break out of the sea of sameness and become leaders in the community banking landscape."

About Transom Consulting Group

Transom Consulting Group is a strategic consultancy that helps companies tackle their most challenging problems. Transom works closely with top executives to develop pragmatic and data-driven recommendations with immediate financial impact. For more information about Transom Consulting Group, its Financial Services practice, or the *Los Angeles Banking Survey*, visit www.transomconsulting.com or contact inquiries@transomconsulting.com.

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